

Gross Domestic Product by Industry — April 2026

A Widening Engine, Concentrated Weight:

What Story Is April's GDP Really Telling Us



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Key takeaways:

April's GDP grew 0.5 percent, the best month in nearly a year, with 14 of 20 sectors picking up. But a big chunk of the gain came from oil sands production coming back online after maintenance. Strip out the resource bounce and the story is steadier, but a lot more modest.

- **Oil sands did most of the lifting.** Oil and gas extraction rose 3.7 percent, with oil sands up 6.6 percent on the recovery of synthetic crude production. Mining excluding oil and gas slipped 0.1 percent for a third straight month.
- **Manufacturing is healing, not growing.** The sector grew 0.6 percent on a 1.1 percent rise in durable goods, but trade and tariff uncertainty have not eased.
- **Construction grew for the first time in five months,** up 0.7 percent on home renovations and apartment builds. One good month does not fix the housing shortage.
- **The public sector kept things steady.** Government activity grew 0.7 percent for a second straight month, holding the floor while businesses find their footing.
- **Household facing services are quietly turning.** Real estate rose 0.2 percent on the first growth in agents' and brokers' offices since August 2025, and finance and insurance grew 0.4 percent. Early signals, not yet broad based.

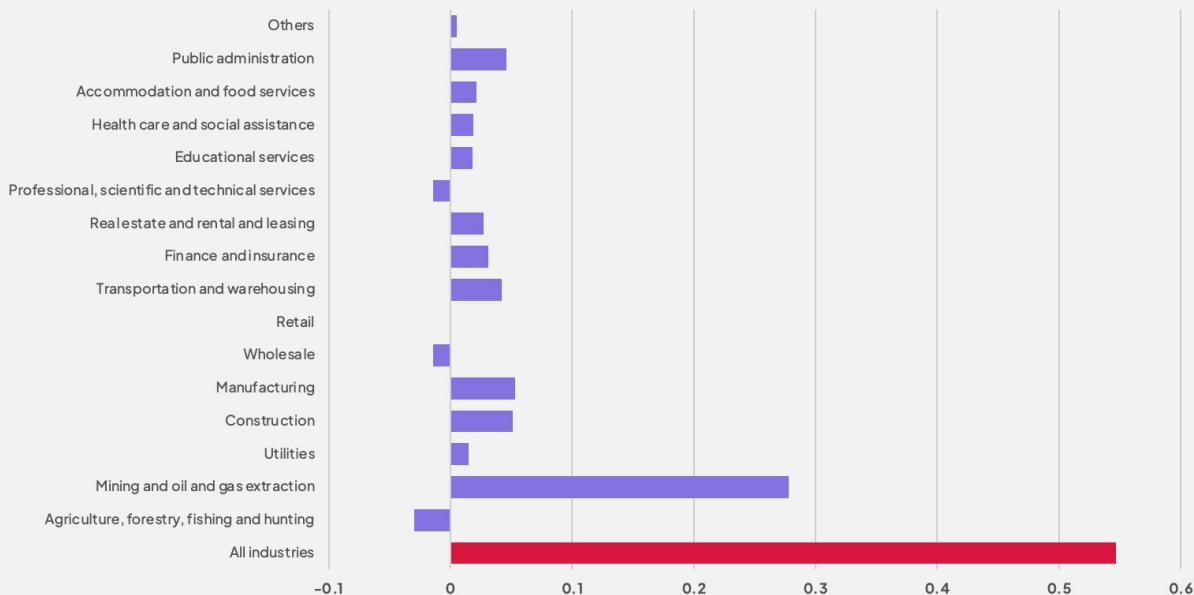
Recession fears have eased, but CUSMA and tariffs remain the real threat. Whether this growth can be sustained is the question that matters now.

A good month, with one sector doing most of the work.

Real gross domestic product grew 0.5 percent in April, the fastest monthly expansion since July 2025 and a clear reversal from March's 0.1 percent contraction. Growth was widespread, with 14 of 20 industrial sectors expanding, and goods producing industries rose 1.2 percent while services producing industries grew 0.3 percent for a third consecutive month. If you read only the headline, you might conclude that the economy has turned a corner and that the recession debate is finally settled.

Before we move on too quickly, it is worth looking at what is doing the heavy lifting. Nearly half of the April gain came from one place. Mining, quarrying, and oil and gas extraction surged 2.9 percent, the largest monthly increase since February 2024. Strip out the oil rebound and the picture is steadier but more modest. The economy is growing again, but the engine is narrow, and Statistics Canada's advance estimate already points to growth cooling to just 0.1 percent in May.

Contribution to economic activity in April (monthly %)



Source: Statistics Canada - Labour force characteristics, monthly seasonally adjusted

So what does this mean if you run a small business or you are trying to make your household budget work?

More activity in resources, manufacturing, and construction means more orders, more shifts, and more paycheques moving through local supply chains. That is genuinely good news. But the gain is concentrated in trade exposed and resource heavy sectors, and the consumer facing parts of the economy are still cautious.

The question is not whether April was a strong month. The real question is whether this rebound is the start of a durable recovery or a one-time bounce that fades as mining and oil and gas activity normalizes and US trade pressures persist.

Why the headline does not tell the full story.

The breadth of April's gain is real, but the structural picture is still uneven.

- **Oil sands did most of the lifting.** Oil and gas extraction rose 3.7 percent, its largest monthly increase since February 2024, with oil sands extraction alone expanding 6.6 percent on the recovery of synthetic crude oil production. Mining and quarrying excluding oil and gas edged down 0.1 percent for a third consecutive monthly decrease, with metal ore mining contracting 2.2 percent on maintenance shutdowns in Northern Saskatchewan.
- **Manufacturing is still finding its footing.** The manufacturing sector grew 0.6 percent, led by a 1.1 percent expansion in durable goods, with machinery

manufacturing up 3.0 percent and wood product manufacturing up 2.6 percent. Non-durable goods manufacturing was unchanged, with petroleum and coal product manufacturing up 5.8 percent for a third consecutive month as refinery production ramped up to meet stronger export demand. The story here is recovery, not expansion. Trade tensions and tariff uncertainty have not gone away.

- **Construction breaks a five-month losing streak.** The sector posted a 0.7 percent gain, its first increase in five months, pushed higher by a 1.3 percent rise in residential building improvements and multi-unit projects. This is a turning point worth watching, but a single month does not undo the cumulative slowdown that has weighed on housing supply.
- **The public sector continued to add ballast.** Public administration grew 0.7 percent for the second consecutive month, with activity rising across all levels of government. Defence services posted a seventh consecutive monthly increase, and federal public administration grew for the first time in four months. Public sector activity is doing meaningful work to stabilize total output while private demand finds its rhythm.
- **Household facing services are quietly improving.** Real estate edged up 0.2 percent, with real estate agents' and brokers' offices recording their first growth since August 2025 on stronger home resales in the Greater Toronto Area. Finance and insurance grew 0.4 percent on stronger mutual fund and deposit activity. These are early signals of household confidence returning, but they are not yet broad based.

- **May is already cooling.** Statistics Canada's advance estimate has real GDP growing just 0.1 percent in May, with gains in finance, insurance, real estate, and rental and leasing partially offset by declines in wholesale trade and agriculture, forestry, fishing, and hunting. Q2 growth is currently tracking somewhere between 2.0 and 2.5 percent annualized, well above the Bank of Canada's Monetary Policy Report projection of 1.5 percent, but the trajectory inside the quarter is downshifting.

The recession debate, settled for now.

The April data effectively closes the door on the technical recession framing that took hold after two consecutive quarterly contractions in late 2025 and early 2026. The economists' consensus is clear on this point: the recession label was always overstated, but the economy is not yet running near potential.

The Bank of Canada held its policy rate at 2.25 percent on June 10 and meets again on July 15. April's print lowers the urgency for additional easing without making the case for tightening. Therefore, we expect the Bank of Canada to continue holding the policy rate at 2.25 percent through the summer.

Why this matters for households.

April's expansion is encouraging for income stability. More activity in construction, manufacturing, transportation, and the public sector means more steady paycheques in communities that have been carrying the weight of a slow start to

the year. Household disposable income is also getting modest support from the real estate recovery, which is showing the first sign of life in the resale market since August 2025.

The caution is that the growth engine remains concentrated and the May estimate of 0.1 percent points to a softer underlying pace. Households should not assume that the April momentum will translate into a faster easing of cost of living pressure. Energy prices have eased from peak levels but still remain elevated. Higher fuel costs at the pump and on home heating are continuing to squeeze the lower and middle income households that are already running tight budgets. A stronger economy on paper does not always translate into a stronger paycheque in real terms.

Why this matters for small businesses.

For small business owners, April's data is genuinely better news than what we have seen for most of the first quarter, but the signal is mixed and the implications depend heavily on which part of the economy your business sits in.

The good news. Goods producing activity is expanding for the first time in months, construction is breaking its losing streak, and transportation and warehousing rose 0.9 percent on a 3.8 percent rebound in rail transport and a 2.6 percent increase in pipelines. If you supply into resource, construction, or logistics chains, orders and shifts are picking back up.

The concern. The advance estimate for May already shows wholesale trade pulling back, and consumer facing services have been the slowest part of the recovery. If your business

depends on discretionary consumer spending, the customer at the door is still cautious. Wage growth has decelerated from earlier in the year, and the household budget squeeze from energy and food has not eased.

The strategic read. April confirms that the economy is moving from contraction to soft expansion, not from soft expansion to acceleration. Inventory planning, hiring decisions, and capital commitments should be calibrated for a slow grind rather than a sharp rebound. The Bank of Canada is most likely to hold the policy rate at 2.25 percent through the summer, which means borrowing costs are unlikely to fall further in the near term.

A view from BC.

While Statistics Canada does not publish monthly provincial GDP, the BC labour data points to pressure that is more concentrated than the national narrative suggests.

- **Housing related activity is still under pressure in BC.** Real estate activity is improving nationally, led by the Greater Toronto Area. BC has not yet seen a comparable resale rebound show up in the data, and housing affordability remains the dominant pressure on household balance sheets.
- **BC is exposed to the trade and tariff backdrop that shaped April's national story.** Roughly half of BC goods exports go to the United States, and the rest is heavily weighted to commodities priced in global markets. As long as the CUSMA review continues without a clear outcome, BC manufacturing and forestry remain exposed.

For Vancity members across Metro Vancouver, the Fraser Valley, and the communities we serve, the national rebound is welcome but the transmission to BC will be slower and narrower. The pressure points are different here, and they are concentrated in the places that hit household budgets hardest.

Bottom line.

April's 0.5 percent gain is the strongest single month of GDP growth Canada has produced since last summer, and it should put the technical recession debate to rest. The breadth of the gain, with 14 of 20 sectors expanding, is the most encouraging part of the release. But the structure of the growth deserves attention. Nearly half of the headline came from a rebound in oil sands extraction that reflects the end of maintenance disruptions rather than a new wave of demand. Indeed, the advance estimate for May already points to growth cooling to 0.1 percent.

What matters in this data is not whether the headline is up or down in any given month, but rather whether the gains are broad based enough, durable enough, and inclusive enough to lift the financial lives of the households, workers, and small businesses that have been carrying the weight of a slow start to the year. For BC families and small businesses, that test will be harder to pass than the national numbers suggest. For now, the direction is better. The foundation is not yet solid.

Source: Statistics Canada, Gross domestic product by industry, April 2026. Released June 30, 2026. www150.statcan.gc.ca.